

# **Transportation Summit**

**FY 2004-2008**

**Transportation Program**

**Federal Reauthorization**

Transportation Commission Meeting

January 29, 2004

# Overview of Presentation

- Transportation Summit
- 2004-2008 Five Year Transportation Program
- Federal Reauthorization Update

# The Transportation Summit



[www.mdot.state.mi.us/summit2003](http://www.mdot.state.mi.us/summit2003)



# Why the Summit?

- Promise for increased engagement
- Transportation = Economic Foundation
- Michigan's economy is challenged, must fundamentally become more adaptive, nimble, and innovative
- Need for strategic vision and action plan



# The Transportation Summit

- Organization
- Outcome





# Vision

*Michigan will lead the 21st century transportation revolution as it led innovation in the 20th century. We will move people and goods with a safe, integrated, and efficient transportation system that embraces all modes, is equitably and adequately funded, and socially and environmentally responsible. Michigan's transportation community will work together to ensure that resources are in place to deliver the system.*

# Nine Key Issue Areas

- Safety
- Commerce and Trade
- Communication, Consciousness Raising and Public Involvement
- Coordination, Cooperation and Connectivity
- Funding
- Land Use
- Mobility Options
- Research and Evaluation
- Asset Management

# For Each Issue Area:

Moderated by a planning  
team member

1. Identified top 3 issues
2. Identified top 3 goals
3. Identified specific actions



# General Themes Related to Issues

- Genuine interest in a creation of seamless/multi-modal transportation system
- The need to build relationships/partnerships
- Increase communication with stakeholders and between transportation providers
- Expand the use of technology
- Better coordination and cooperation among transportation providers
- Identify and copy best practices
- Equity and fairness are important

# Summit Listening Session Results

- 345 Attendees
- 201 recommendations were obtained
- 76% of the responses referenced Safety or Mobility

# Summit

## Listening Session Results

- Alleviate congestion
- Prevent traffic accidents
- Preserve Roads & Bridges
- Improve pedestrian safety
- Multimodal connectivity of Nonmotorized, Rail & Bus Transit
- Continuing economic growth & benefits
- Enhance greater public involvement & communication



# Next Steps

- Listening Session Follow Up
- Action Team Meetings
- Action Team report
- Quarterly collaboration sessions for action team representatives
- 2004 report to Michigan on transportation

# Michigan Department of Transportation

Questions?

# FY2004-2008 Five Year Transportation Program





# What Has Been Accomplished To Date

- Presented Draft of 2004-2008 Five Year Transportation Program in December
- Eleven listening sessions conducted throughout the state
- Back to inform you of the results and to request approval of the Five Year Program

# 2004-2008 Five Year Transportation Program Timeline

Deliver Program to Legislature by February 1, 2004

Summer/Fall 2003	5 Year Transportation Program Development
November	System Condition Workshop with Commission – November 19, 2003
December	Draft 2004-2008 5 Year Transportation Program Presentation Special Commission Meeting – December 11, 2003
January 2004	Listening Sessions – January 6-13, 2004
	5 Year Transportation Program to Commission Meeting Final Approval – January 29, 2004
	5 Year Transportation Program To Legislature – January 30, 2004

# Budgetary Reporting Requirements

## Section 307

- Before February 1 of each year, the department will provide to the legislature, the state budget office, and the house and senate fiscal agencies its rolling 5-year plan listing by county or by county road commission all highway construction projects for the fiscal year and all expected projects for the ensuing fiscal years.



# 2004-2008 Five Year Transportation Program

- First Multi-Modal Five Year Program
- 2004 Aviation, Transit, and Rail Programs and Major Projects
- 2004-2008 Highway Program and Project Lists
- Revenue Projections and Investment Strategies

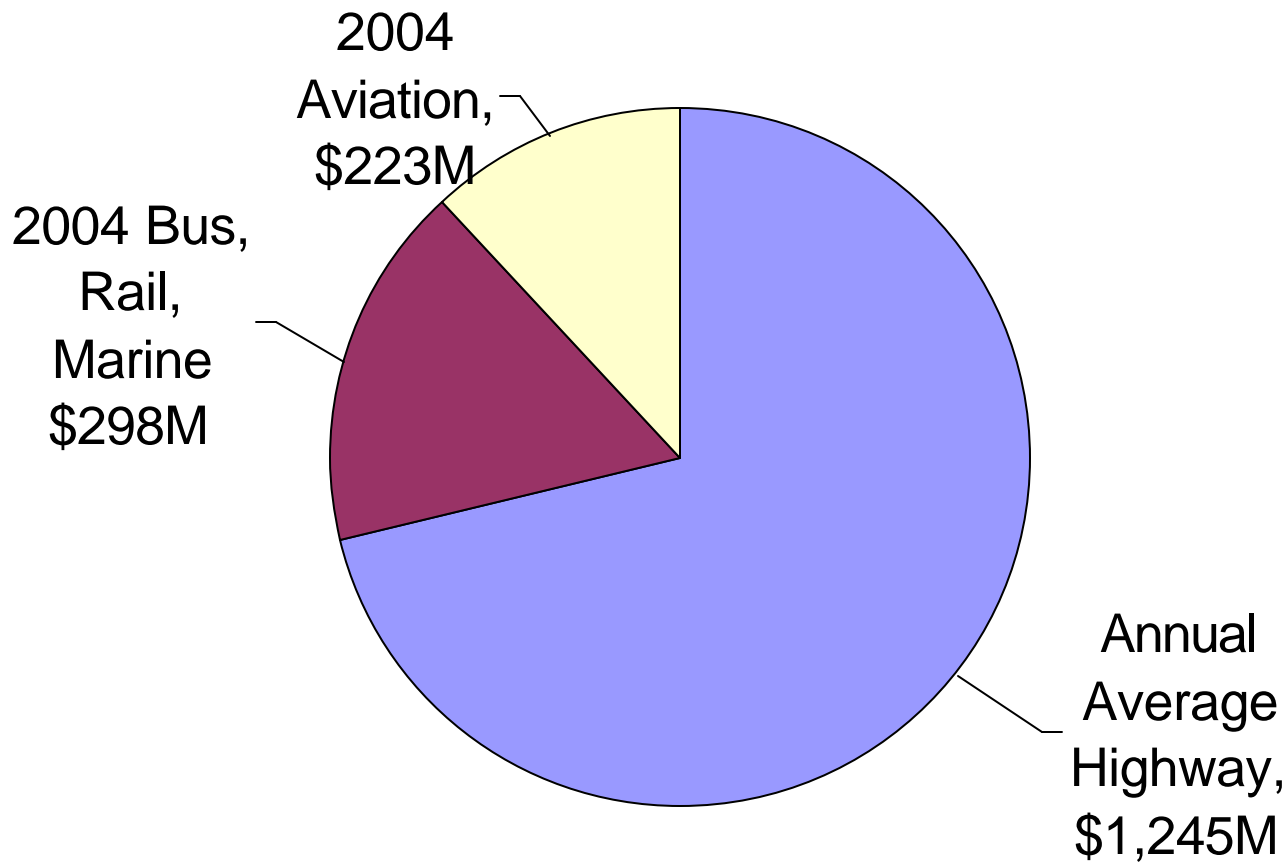
# 2004-2008 Five Year Transportation Program

- Focusing on System Preservation and Safety
- Continue to improve our methods, processes, and customer satisfaction
- Contains continued investment in new construction and road expansion



# MDOT's Transportation Programs

(Total = \$1.77 Billion Annually)





# 2004-2008 Highway Road and Bridge Program



# Highway Revenue Assumptions

- **Federal**
  - Assumes 3.2% growth compound annually from 2003 level, consistent with Administration proposal
  - Total = \$3.5 billion over five years
- **State**
  - Annual average growth rate of 1.8%
  - Total = \$2.8 billion over five years
- **Bonds**
  - Issuance of \$480 Million in new bonds
- **Total Revenue = \$6.4 Billion**



# FY2004-2008

## Program Strategy

- Road and Bridge maintenance and preservation continues to be our #1 priority
- Second Year of *Preserve First* Initiative
  - *Preserve First* \$119 Million in 2004
- Continues progress toward pavement and bridge goals
- Met and will sustain the Non-Freeway Bridge Goal of 85% Good.



# 2004-2008 Five-Year Program

## Investment Template (in Millions)

	Annual Average	5-Year Total
Preserve Roads	\$413	\$2,063
Non-Freeway Resurfacing	\$14	\$72
Passing Relief Lanes	\$12	\$60
Total Repair and Rebuild Roads	\$439	\$2,195
 Routine Maintenance	 \$246	 \$1,230
Capital Preventive Maintenance	\$93	\$464
Total Maintenance	\$339	\$1,694
 Bridges	 \$193	 \$965
 Total Repair & Rebuild Roads & Bridges	 \$971	 \$4,854
 Capacity Improvements & Research	 \$78	 \$390
New Roads	\$11	\$58
 Safety and Other	 \$185	 \$925
 Total 5-Year Trunkline Program	 \$1.25 Billion	 \$6.23 Billion

# Capacity Improvement/ Expansion Program



- Complete ongoing phase commitments where the phase is significantly underway
- Includes 17 projects reinstated in July 2003
- 17 projects remain deferred

# Capacity Improvement/ Expansion Program

- Timing of projects coming back into program based on:
  - Confidence that proposed investments will meet 2007 condition goals
  - Confidence that investments will sustain preservation goals beyond 2007
  - Additional federal revenue



# Michigan Department of Transportation

Questions?

# Multi-Modal Transportation Services Program





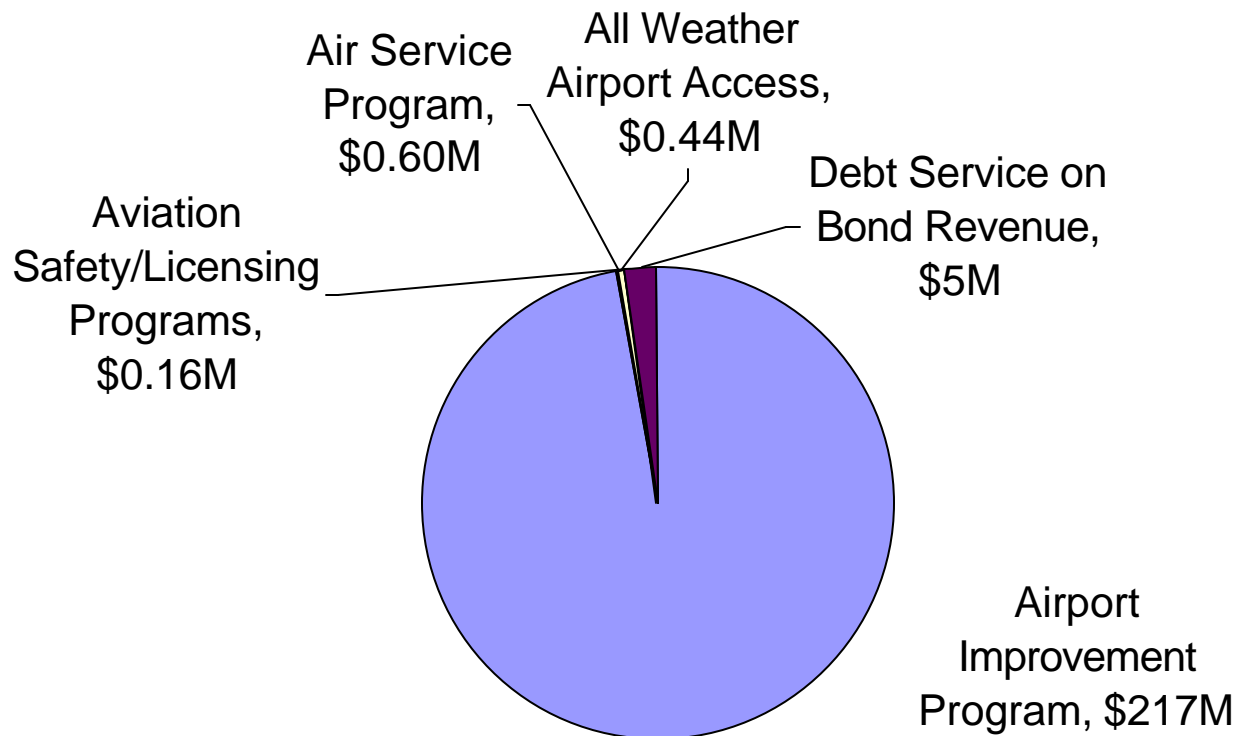
# Multi-Modal Revenue Assumptions

- **Federal**
  - Vision 100: A Century of Aviation Reauthorization Act
    - Increase of more than \$460 Million over FY 2003
  - Reauthorization of TEA-21 Transit Funding
    - Assuming a funding level similar to FY 2003
- **State**
  - 2004 Appropriated Funding Level = \$260 Million
- **1 Year Only**



# Multi-Modal Transportation Services Programs

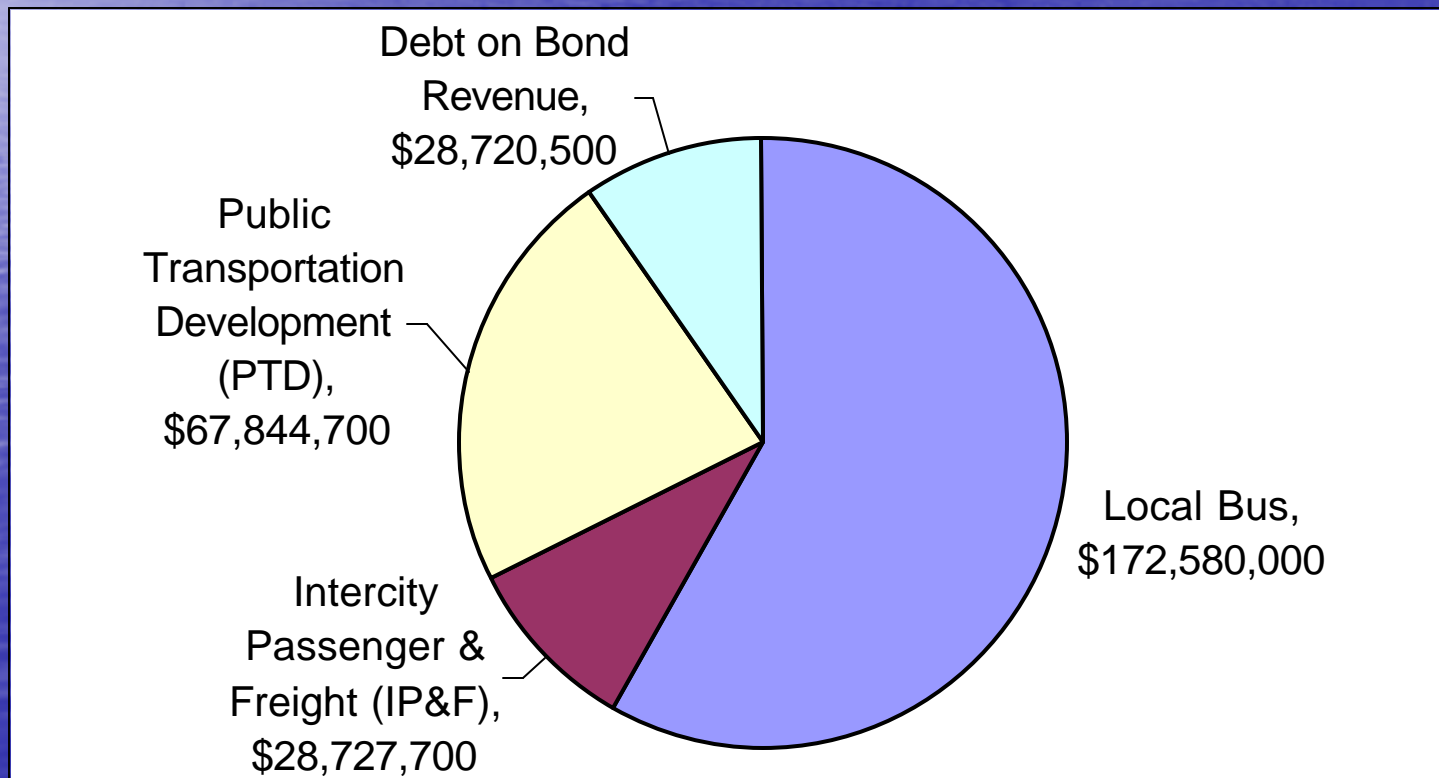
Air Program FY 2004 Anticipated Budget (Total = \$223.2M)



# Multi-Modal Transportation Services Programs

Bus, Marine and Railroad Programs

FY2004 Anticipated Budgets (Total = \$297,872,900)



# Results of Listening Sessions





# Five Year Program Listening Session Results

- 345 Attendees
- Approximately 180 comments at the sessions or by letter, email, or fax
- Focus was on Road and Bridge Program
- The need to continue *Preserve First* was expressed
- Desire to reinstate deferred capacity increase and new road projects

# Five Year Program Listening Session Results

- Enhance safety and functionality of the roadway
- Encourage usage of mass transit
- Expand freight transportation systems
- Enhance safety and functionality of non-motorized transportation infrastructure
- Preserve highway assets

# Next Steps

- Request approval of 2004-2008 Five Year Transportation Program
- Requirement to provide the Five Year Transportation Program to the Legislature before February 1<sup>st</sup>



# Michigan Department of Transportation

Questions?

# Federal Reauthorization Update



# Omnibus Appropriations Bill

- Includes Reauthorization of AIR-21
  - \$14 Billion in FAA discretionary spending
  - Increase of more than \$460 Million over FY 2003
  - 95% Federal/5% match (MI 95/2.5/2.5)



# Michigan Aviation Earmarks

## Michigan Airport Improvements

- Cherry Capital \$6 M
- Kalamazoo/Battle Creek \$3.5 M
- Chippewa Co International \$1 M
- Metro Airport \$3.5 M
- Mt. Pleasant Municipal \$150,000
- Oakland Co International \$3 M
- Pellston \$1 M



# Other Michigan Earmarks

- Intelligent Transportation Systems \$4 m
- Local Highway & Bridge Projects: \$1.35 M
- Federal Lands \$1.2M
- Transit Earmarks \$32.5 M
- Job Access Reverse Commute \$3.5 M

# Highway and Transit Reauthorization Status

- Current extension expires February 29, 2004
- Senate & House committed to act in February, 2004
- Senate & House proposals require new revenue sources to achieve 6 year program levels
- Funding remains major stumbling block
- If agreement can't be reached, may be faced with another extension



# Reauthorization Proposals

## Highways and Transit

	<b>Administration SAFETEA</b>	<b>Senate SAFETEA</b>	<b>House TEA-LU</b>
<b>Total 6 Year Revenue</b>	\$247 billion	\$311 billion	\$375 billion
<b>Michigan's Revenue/ Year</b>	\$1.0 billion	\$1.2 billion	\$1.3 billion
<b>Average Increase over TEA-21 / Year</b>	\$150 million	\$350 million	\$450 million
<b>Minimum Rate of Return</b>	90.5%	95% (Beginning in 2004)	95% (Beginning in 2009)

# Administration's Bill

- Maintains current highway investment level
- Decrease in transit funding
- Inflation outpaces increased funding level
- Streamlines environmental review process
- Five Year Program revenue assumptions are consistent with this Bill

# Senate SAFETEA Bill

- Increases investment level for highways
- Likely to receive more transit funds
- More program categories than TEA-21, less flexibility
- Additional environmental regulations



# House TEA-LU Bill

- Highest investment level, but the most earmarks/discretionary programs
- Most program categories, least flexibility
- Planning and environmental requirements unknown

# How Is Michigan Affected By Extensions?

- Short-term fix does not guarantee a multi-year highway and transit reauthorization will be in place this year
- Temporary funding keeps current, inadequate 90.5% rate of return
- Transportation industry and economy will be affected if long-term funding is not secured by next construction season

# MDOT's Position

- Support a fully funded six-year bill enacted by February 29<sup>th</sup>
- Increase transportation funding to address national needs
- Equity for Michigan on highway and transit apportionments
- Provide flexibility to address critical state highway and transit needs



# Actions

- Submit the Five Year Transportation Program to the Legislature before February 1<sup>st</sup>
- Continue to monitor Reauthorization
- Keep you updated as significant events occur

# Michigan Department of Transportation

Questions?